

Robert P. Astorino
County Executive

Department of Finance

Ann Marie Berg
Commissioner

46504

April 29, 2015

To: Board of Acquisition and Contract

From: Ann Marie Berg
Commissioner of Finance

Re: Authority to enter into various agreements with 1) PCSB Commercial Bank (“PCSB”) and its custodian bank, Manufacturers and Traders Trust Company (“M&T”); and 2) Key Bank and its custodian bank, The Bank of New York, for the deposit of County funds.

The County of Westchester maintains relationships with various banks for the deposit of County Funds. Pursuant to New York General Municipal Law Section 39, the County is required to have a written investment policy regarding the investment, monitoring and reporting of County government funds. Pursuant to the Investment Policy for the County of Westchester (the “Investment Policy”), when the County deposits funds in banks, such deposits are required to be collateralized. Eligible securities that are used to collateralize the County’s deposits in a depository bank are required to be held by a third party custodian bank.

While authorized as depository banks in the Investment policy, the County currently does not deposit any funds with PCSB or Key Bank. Authority is now requested of your Honorable Board to authorize the County to enter into agreements with 1) PCSB and 2) Key Bank for the deposit of County funds. Authority is also requested to enter into associated tri-party agreements for the custody of the required collateral: The custodian bank for PCSB is M&T and the custodian bank for Key Bank is The Bank of New York. Thus, authority is hereby also sought to enter into tri-party agreements with 3) PCSB Bank and M&T, and 4) Key Bank and The Bank of New York.

It should be noted that the tri-party agreement with PCSB and M&T, contains an indemnification provision whereby the County and PCSB “agree jointly and severally, to indemnify [M&T] and to hold it harmless from any and all costs, expenses, damages, liabilities

or claims, including reasonable fees and expenses of counsel, which [M&T] may sustain or incur or which may be asserted against the Custodian by reason of or as a result of any action taken or omitted by [M&T] in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of [M&T] or any of its employees or duly appointed agencies.”

The proposed agreements will commence upon execution by all parties and would be terminable by any of the parties upon written notice. There is no cost to the County.

These agreements serve a valid public purpose in that they enable the County to comply with the requirements of its Investment Policy. The goal of these agreements is to ensure adequate and safe collateralization of County funds. The Department of Finance will receive regular statements for these accounts in order to monitor the bank’s performance.

This procurement is exempt from the operation of the Westchester County Procurement Policy pursuant to Section 3(a) xx.

I recommend approval of the attached proposed resolution.

APPROVED BOARD OF ACQUISITION & CONTRACT - 03/14/2015 JOMAR VIEIRA, SECRETARY

RESOLUTION

Upon a communication from the Commissioner of the Department of Finance, be it hereby:

RESOLVED, that the County of Westchester is hereby authorized to enter into deposit agreements with PCSB Commercial Bank (“PCSB”) and Key Bank for the deposit of County funds, and to enter into tri-party agreements with PCSB Bank and Manufacturers and Traders Trust Company (“M&T”), and Key Bank and The Bank of New York, for the custody of the required collateral; and be it further

RESOLVED, that that the tri-party agreement with PCSB and M&T contains an indemnification provision whereby the County and PCSB “agree jointly and severally, to indemnify [M&T] and to hold it harmless from any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which [M&T] may sustain or incur or which may be asserted against the Custodian by reason of or as a result of any action taken or omitted by [M&T] in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of [M&T] or any of its employees or duly appointed agencies;” and be it further

RESOLVED, that the agreements will commence upon execution by all parties, will be terminable by any of the parties upon written notice and will be at no cost to the County; and be it further;

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized to take such action and execute such documents as may be necessary and proper to effect the purposes hereof.

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	N/A	N/A	N/A	N/A	N/A	N/A

Budget Funding Year(s) N/A Start Date Upon contract execution
 End Date Upon contract execution
 (must match resolution)

Funding Source Tax Dollars _____

State Aid _____

\$ N/A Federal Aid _____

(must match resolution)

Other _____